

Another pressing issue is the encroaching and massive debt from student loans. In January President Obama stated:

When kids do graduate, the most daunting challenge can be the cost of college. At a time when Americans owe more in tuition debt than credit card debt, this Congress needs to stop the interest rates on student loans from doubling in July.

Student debt loan and the looming prospect of a massive interest rate increase is like a stealth tax darkening the horizon of borrowers nationwide. Indeed it is a ticking time bomb for students and families: If Congress doesn't act in 74 days, subsidized Stafford student loans rates will double from 3.4 percent to 6.8 percent.

In 2007, Congress made an historic investment in higher education when we passed the College Cost Reduction and Access Act. Included in this legislation was a provision that reduced the fixed rate on Stafford student loans for undergraduate students. The College Cost Reduction and Access Act lowered subsidized Stafford student loan rates from 6.8 percent to 3.4 percent over a four-year period easing the burden on thousands of students and their families.

However, despite the ever-increasing cost of a higher education and the challenging job market graduates face, without Congressional action these rates will double later this year and cost students and families thousands of dollars over time.

In their zeal to avoid picking "winners and losers," the majority has embraced a massive \$46 billion tax cut that is being offered in the name of small business but will go to 99.6 percent of all businesses, whatever the value of their assets or the amount of their income and irrespective of the nature or function of their business.

The tax break is available to partnerships of highly paid professionals, including lawyers and lobbyists. It is available to hedge fund and private equity fund managers. By restricting the definition of small business to an employee count and ignoring other relevant factors, such as revenues, H.R. 9 guarantees that the benefit will be available to a host of businesses that are anything but small. For example, many professional sports teams would get the tax break.

H.R. 9 is not targeted at job creation. Any number of measures could have been included in H.R. 9 to limit the availability of the tax benefit to businesses that hire or invest in the United States.

None of these measures was included. There is no requirement that a business receiving the deduction created by H.R. 9 expand employment.

In fact, a business that reduces employment remains eligible for the deduction. Even worse, businesses that reduce their American workforce while expanding overseas still get the tax break. In contrast to measures such as bonus depreciation or expensing, there is no requirement that a business receiving the tax break invest in the United States. And in contrast to measures such as infrastructure spending, this one-time tax cut for the very wealthiest would have a relatively small effect on cumulative economic output.

The benefit provided by H.R. 9 is arbitrary. In the case of small business owners, the same amount of small business income will not always produce the same benefit. Be-

cause the benefit is a deduction and not a credit, the value of the benefit increases with income.

In addition, because the size of the benefit can be limited by a taxpayer's taxable income, losses that reduce or eliminate such income, including losses carried forward from prior years, can eliminate the benefit.

Preliminary analyses indicate that H.R. 9 is a \$46 billion tax cut disproportionately benefiting the very wealthiest Americans.

Although a distributional analysis by the Joint Committee on Taxation is not yet available, the Center on Budget and Policy Priorities indicated that, based on an analysis provided by the Tax Policy Center, approximately "49 percent of the tax cut provided by H.R. 9 would go to the 0.3 percent of people with incomes exceeding \$1 million in 2012; they each would receive an average tax cut of more than \$44,000."

Middle- and low-income families are struggling to recover from the deepest recession in decades; they have lost jobs, homes and retirement security. The Republican Majority for months resisted extending the payroll tax cut benefiting these families. But now, the Majority is rushing to put forward another tax break for the very wealthiest Americans.

Given that this Committee has spent the last year and three months talking about tax reform, perhaps the most striking thing about H.R. 9 is that it is the antithesis of tax reform. The House Republican budget assumes that this Committee will produce a tax reform package with two rate brackets, but it offers no clear indication of how to finance rate reductions that would cost trillions of dollars.

The only hint we have gotten is the vague promise of the House Budget Committee chairman to eliminate what he calls "tax loopholes." But to raise sufficient funds for his tax reform plans, his definition of "tax loophole" would have to include provisions related to health, education, home mortgage interest, and pensions.

These are not "loopholes." Rather, in many cases, they are provisions designed to achieve clear economic and social policy goals. Ironically, H.R. 9 would be a new tax expenditure and a temporary one at that. And it would have far less merit than policies, such as the mortgage interest deduction and the exclusion for employer provided healthcare, that now appear to be in the majority's crosshairs.

Mr. Speaker, I cannot in good conscience support a measure that takes away from Medicare, the SNAP Program, and dollars that could be used to mitigate the devastating effect of sharply escalating interest rates on Stafford student loan.

Let's reject this bill and move on to real job creation, tax reform and deficit reduction and not the sham version before us this morning.

HONORING FRANCIS LEE CONTRACTING AS THE 2012 DISTRICT OF COLUMBIA SMALL BUSINESS OF THE YEAR

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 2012

Ms. NORTON. Mr. Speaker, I rise today to ask the House of Representatives to join me

in honoring Francis Lee Contracting as the 2012 District of Columbia Small Business of the Year, as well as its principals, Brian Smith, Geary Powell, and Terry Smith.

Francis Lee Contracting is a District of Columbia small business specializing in excavation, grading, site concrete, clearing, grubbing, and demolition. After doing work in the initial stages of the U.S. Department of Homeland Security, DHS, headquarters construction project at the St. Elizabeths West Campus, Francis Lee Contracting was selected as a subcontractor to perform earthwork for the perimeter security fence there, because of the high quality of its work. Francis Lee Contracting is located in Ward 8, where the DHS headquarters construction is taking place and which is the section of our city with the highest unemployment rate. Francis Lee Contracting has worked to improve the local community and has hired Ward 8 residents.

Francis Lee Contracting has over 50 years of experience in the construction field, on both public- and private-sector projects, and has several certifications, including Certified Business Enterprise and certifications to work with the District Department of Transportation, the Maryland Department of Transportation, and the Washington Metropolitan Area Transit Authority. Francis Lee Contracting continues to share its experience and knowledge with other small businesses by sponsoring and participating in training sessions about bonding and other aspects of the construction industry.

The House of Representatives is gratified when a local small business competes and is selected to perform work on a federal construction project because of its quality of work, as exemplified by Francis Lee Contracting.

I ask the House to join me in honoring Francis Lee Contracting and its principal, Brian Smith, for its outstanding accomplishments and commitment to the residents of the District of Columbia, and in commending Francis Lee Contracting on becoming the 2012 District of Columbia Small Business of the Year.

IN RECOGNITION OF LUBIANA
BAGNESCHI CERNOBORI

HON. JACKIE SPEIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 2012

Ms. SPEIER. Mr. Speaker, I rise to honor Lubiana Bagneschi Cernobori, one of the most generous, altruistic and loving women I have ever met. Lubiana is being honored by the Peninsula Italian American Social Club in San Mateo, California for her outstanding charitable and civic activities in San Mateo County.

Lubiana was born in Lucca, Italy as the youngest daughter of the late Gina and Nello Bagneschi. She came to the United States with her family in 1952, attended local schools and learned English. In 1962 she graduated from Burlingame High School.

Perseverance, hard work and creativity have been the constant theme of Lubiana's life. She worked as a secretary and word processor for many years while raising a family. She and her husband Renato Cernobori have three daughters and four grandchildren.

Since her retirement, Lubiana has dedicated her time and energy to two Italian-American